



A Framework for Understanding Transformation, Part III

Description

In [the previous article](#), I discussed three models of your company that should inform and guide your efforts to transform: the four-level Logical Model, the Enterprise Architecture model and the Digital Business Architecture model. In this article, I will apply them to designing and planning for your transformation.

Models and the Transformation Process

Transformation must be driven by a defined business strategy. Too many initiatives are driven by a perceived need to master some state-of-the-art or of-the-moment technology, solution or technique and end up underachieving or failing outright. Once you have articulated strategy, you will employ the models to identify the entities that you will require to enable you to execute on it. With that inventory in hand, you can perform an as-is vs. to-be gap analysis to create an inventory or portfolio of the changes you will need to make to position your company to do that. Finally, you will analyze your portfolio and create program and project plans to effectuate the transformation.

The three models apply in many places in the transformation planning process. In each of the steps in the process, I will identify where the models may be useful:

1. Articulate Strategy

There are innumerable experts who have written on business strategy. It's too broad a subject to address here, so I will recommend that you find one of them that resonates with you. If you are a larger, multi-line company, you will require a strategy for each of your business lines. If you build heavy agricultural equipment and sell soft drinks, each needs its own strategy. There may be some common elements of your Operating Model and Operational Architecture that the two can share, however, and you should be on the lookout to identify them to ensure that they, in fact, are shared.

Model application: The Logical and EA models should be used as a framework for relating the strategic imperatives that you identify to the elements of your company on which they will depend.

- **Identify Critical Strategic Capabilities and Enablers You Will Require (to-be)**

Your strategy should accommodate both an outside-in view (driven by assumptions about markets and competitors) and an inside-out view (driven by your capabilities relative to your competitorsâ€™™.) SWOT (Strengths, Weaknesses, Opportunities and Threats) is a useful framework to employ in this regard. Opportunities and Threats generally relate to an outside-in view and Strengths and Weaknesses to an inside-out view.

What is important to take from this process is to identify what your company needs to be successful in executing its strategy, which may include new or evolved Products, Services, Capabilities or Enablers.

Model application: The EA and Digital Company Architecture models should be used as a framework for identifying the to-be elements required to enable the strategic imperatives that you identify.

- **Establish Transformation Governance And Information Infrastructure, Conduct Discovery, Populate As-Is EA Model**

Your transformation is a large and critical program. It must be led by a Chief Digital Transformation Officer (CDTO,) a very senior executive with access to executive management and your companyâ€™™s board. You will also require a Change Management team to design, establish and oversee the information infrastructure (the metadata stores and application systems) to manage the metadata you will collect and the processes by which the data will be quality-assured and maintained. The artifacts you create during discovery will be critical to your managing your transformation and operations post-transform. Once these positions are filled and the infrastructure established, you can begin to conduct discovery across your enterprise to flesh out your as-is EA model.

Model application: The transformation planning process will originate with a comprehensive as-is EA model. If you do not have an EA repository for your current state, you will need to create it in this step.

- **Identify required elements for your to-be Operating Model and Operational Architecture (Value Streams, Capabilities and Enablers)**

In step two, you identified critical enablers for your strategy execution. You may have decided, for instance, that you need to fill a hole in your product offerings, or you may need to become able to iterate and evolve your offerings much more rapidly than you currently can. At this point, you should identify how you must change your Operating Model or Operational Architecture to enable it. For instance, if you do not currently have them, you will need to adopt DevOps and CI/CD capabilities to enable rapid product evolution. These capabilities are enabled by people, knowledge, expertise, processes and technology that you may not have. Your transformation program plan must identify them so that you can address them.

Model application: The transformation planning process will address how you will span the gap between your as-is and to-be EA model, which you will create in this step. Governing and managing the transformation will require Capabilities and Enablers in the form of people (the CDTO,) technology (metadata repositories,) and processes (Change Management.) These are all part of your to-be EA model and should be incorporated into it. The Digital Business Architecture represents a framework view of elements of your Operating Model and Operational Architecture. You should map the to-be EA entities to the pillars of the Digital Business Architecture to reconcile any differences between them and

evaluate how and when they should be addressed.

- **Perform as-is vs. to-be Gap Analysis**

Now, you must identify gaps between the current and future EA models created in steps three and four. Each difference between the models represents a potential initiative or project and should be accounted for in your transformation portfolio. In addition, you should consolidate items from your current portfolio so that you can account for them in the analysis and planning step that comes next.

Model application: This process is largely based on mapping between the as-is and the to-be EA models, but it is also informed by the Digital Business Architecture model, to the degree that it describes a to-be version of parts of your company's Operating Model and Operational Architecture. In this step, you will identify how each gap or transition will be addressed and where there are dependencies and risks so that you can factor this information into the prioritization and sequencing of your transformation program.

- **Analyze portfolio and create programs and initiative plans**

Now that your portfolio is populated, you are positioned to analyze the tasks and initiatives you will need to execute to realize the to-be state you have defined for your company. This will undoubtedly be one of the more complex tasks you will undertake. You will need to prioritize, identify dependencies, sequence, resource and risk-manage the entire effort.

Model application: This process is informed by the initiatives derived from mapping between the as-is and the to-be EA models, and is also informed by the Digital Business Architecture model. Each of the pillars of the model delivers value in a different way. For instance, the Operational Infrastructure allows you to make trade-offs between flexibility and cost and enables your company to grow or shrink its computing footprint (within limits) at will. The Digital Products and Services Factory will allow you to add digital services to existing products or create new digital products rapidly and iteratively. One of the things that you will have to do is assess the degree to which you can realize value from each of the pillars when it is not completely implemented and factor this information into the prioritization and sequencing of your transformation programs.

- **Execute**

Program plans in hand, you are now ready to execute your transformation. The chances are that your plans will change, perhaps substantially over time and in response to shifting external circumstances. Be aware that you must be flexible about the course of your transformation efforts as you go.

Model application: While your models will have informed your transformation execution plans, you must be prepared to pivot as circumstances change. The EA model that represents the state of your company at the time a need to shift course is recognized must be consulted to identify the changes in your execution plan that will be required.

Models, Transformation Capabilities and Business Agility

Agile ERM and the Digital Transformation process I recommend are both highly dependent on a **single source of truth** with respect to the state of your company. A cornerstone of Agile ERM is an up-to-

date EA model, against which change transactions trigger management and governance activities and processes. For instance, when a need for new Capabilities or Enablers is recognized, Risk Management is alerted to perform analysis on them to determine whether new controls or mitigations are required.

As I hope you can see, the Logical, EA and Digital Business Architecture models are useful lenses through which to view your company at any time. Learning to employ them to inform and guide your transformation efforts will allow you to manage and effectuate change more rapidly and predictably and manage risks in the process. Mastering this will become an important capability for you as you transform iteratively, and it will contribute to and become a measure of your business agility.

In the next and final article of this series, I will show how the to-be Digital Business Architecture toward with you should be navigating will enable more rapid transformation going forward.

Date Created

2022/02/05

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